



**ORDER NUMBER**  
**G-158-21**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Stargas Utilities Ltd.  
Delivery Rate and Regulatory Account Application  
Effective November 1, 2020  
(2021 Revenue Requirements Application)

**BEFORE:**

C. M. Brewer, Panel Chair  
K. A. Keilty, Commissioner  
B. A. Magnan, Commissioner

on May 25, 2021

**ORDER**

**WHEREAS:**

- A. On September 22, 2020, Stargas Utilities Ltd. (Stargas) filed an application to the British Columbia Utilities Commission (BCUC) seeking interim and permanent approval to decrease its delivery rate from \$5.77 per gigajoule (GJ) to \$4.59 per GJ, effective November 1, 2020, among other requests (Application);
- B. In 2017, by Order G-164-17 dated November 9, 2017, the BCUC approved, among other things, modifications to Stargas' tariff and the regulatory accounting treatment for new residential and small commercial service installation costs. The BCUC directed Stargas to capture the incremental revenues and costs associated with the new service installations in a regulatory account and to propose the disposition of this account as part of Stargas' next revenue requirements application for a delivery rate effective November 1, 2019, which was to be filed by July 31, 2019;
- C. In 2018, by Order G-159-18 dated August 27, 2018, the BCUC approved, among other things, the establishment of a 2018 Incident Shortfall regulatory account to record the actual incident costs incurred in excess of recoveries associated with line break incident on June 6, 2017, stating the review and approval of the costs and determination of the recovery mechanism will be considered in the review of Stargas' 2019 delivery rate application, which was to be filed by July 31, 2019;
- D. By letters L-54-19, L-17-20 and L-55-20, the BCUC approved extensions to the filing deadline for Stargas' delivery rate application from July 31, 2019 to September 30, 2020;
- E. By Order G-272-20 dated January 21, 2021, the BCUC directed, among other things, Stargas to maintain its existing delivery rate for all customers on an interim and refundable basis, effective November 1, 2020. The BCUC also directed that any variance between the interim rates and permanent rates as determined at the

time the BCUC renders its final decision on the Application will be refunded to or collected from ratepayers, with interest at the average prime rate of Stargas' principal bank for the most recent year;

- F. By Orders G-272-20, G-328-20 and G-22-21, the BCUC established and furthered a regulatory timetable for the review of the Application, which included Stargas filing supplementary information, intervener registration, two rounds of BCUC and intervener information requests (IRs) to Stargas, and written final and reply arguments;
- G. On October 29, 2020, the Silver Star Property Owners Association (SSPOA) registered as an intervener in the proceeding;
- H. On May 3, 2021, the BCUC issued its Decision and Order G-133-21 on the Stargas Natural Gas Purchase Plan and Commodity Rate Application Effective November 1, 2020. In this decision, the BCUC approved, among other things, an increase to the commodity rate charged to Stargas customers from \$3.98 per GJ to \$5.82 per GJ, effective November 1, 2020. The BCUC directed Stargas to recover, as a one-time charge to ratepayers, the difference between the interim commodity rate of \$3.98 per GJ and permanent commodity rate of \$5.82 per GJ retroactive to November 1, 2020, with interest at the average prime rate of Stargas' principal bank for 2020, in the billing period immediately following the issuance of the decision; and
- I. The BCUC has reviewed the Application, evidence and arguments filed in the proceeding and makes the following determinations.

**NOW THEREFORE** pursuant to sections 58 to 61 of the *Utilities Commission Act*, for the reasons stated in the Decision issued concurrently with this order, the BCUC orders as follows:

- 1. Stargas is approved to charge a delivery rate of \$4.21 per GJ to all ratepayers on a permanent basis, effective November 1, 2020, as set out in Table 8 of the Decision.
- 2. Stargas is directed to refund to ratepayers the difference between the interim rates and permanent delivery rates, with interest at the average prime rate of Stargas' principal bank for the most recent year, at the same time the difference between interim and permanent commodity rates is recovered from ratepayers pursuant to Order G-133-21.
- 3. Stargas' request to record the approved 2021 CMI regulatory costs in a regulatory account and to defer the recovery mechanism until a future application is denied. Stargas is directed to include \$17,500 of forecast 2021 CMI regulatory costs in the 2021 Revenue Requirement and 2021 delivery rate, effective November 1, 2020, as set out in Table 8 of the Decision.
- 4. Stargas is approved to establish a 2021 Delivery Rate and Regulatory Account Application account to capture BCUC direct costs and other third-party costs related to the Application. This non-rate base regulatory account is approved to accrue interest based on Stargas' weighted average cost of capital, with the amortization period and determination of the recovery mechanism to be determined in Stargas' next revenue requirements application.
- 5. Stargas' request to establish an Interest Deficit regulatory account to recover the proposed 'interest deficit' amount for the period June 1, 2017 to October 31, 2020 is denied.
- 6. Stargas' request to establish an Undistributed Return on Equity (ROE) regulatory account to recover the proposed 'undistributed ROE' amount for the period June 1, 2017 to October 31, 2020 is denied.

7. With respect to the previously approved 2018 Incident Shortfall regulatory account:
  - a. Stargas is approved to record costs related to the incident in the amount of \$16,687 in this regulatory account; and
  - b. Stargas is directed to include the full amortization of the regulatory account in the 2021 Revenue Requirement and 2021 delivery rate, effective November 1, 2020, as set out in Table 8 of the Decision.
8. Stargas is directed to record a credit of \$31,000 in the previously directed New Services Installations regulatory account, and to amortize the full balance in the 2021 Revenue Requirement and 2021 delivery rate, effective November 1, 2020, as set out in Table 8 of the Decision.
9. Stargas is directed to file with the BCUC, within 10 business days of the issuance of this order, amended Tariff pages and finalized financial schedules for the 2021 Revenue Requirement and 2021 delivery rate in accordance with the terms of this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 25<sup>th</sup> day of May 2021.

BY ORDER

*Original signed by:*

C. M. Brewer  
Commissioner